

GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Municipal Administration and Urban Development Department – Vijayawada Municipal Corporation – Term Loan for an amount of Rs.75.00 Crores from HUDCO to meet the expenditure and completion of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) works sanctioned to Vijayawada Municipal Corporation – Permission – Accorded – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.Ms.No. 163,MA

Dated: 23-04-2013

Read the following:

1. G.O.Ms.No.502, MA & UD (K1) Department dated 02.11.2011.
2. From the Commissioner, VMC Lr.Rc.No.JNNURM/10196/2006 dated 13.03.2013.

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O R D E R:

In the G.O. 1st read above, orders were issued according permission to Vijayawada Municipal Corporation to obtain loan of Rs.50.00 Crores from Corporation Bank without Bank Guarantee to take up the developmental works of infrastructure facilities in Urban and Slum areas of Vijayawada Municipal Corporation under JNNURM.

2. In the reference 2nd read above, the Commissioner, Vijayawada Municipal Corporation has reported that the Dy. General Manager (Projects), HUDCO vide his letter dated 08.03.2013 has informed that the scheme has been cleared under scheme 20210 for a total amount of Rs.75.00 Crores against the security of mortgage of properties of Vijayawada Municipal Corporation subject to certain terms and conditions. The Commissioner, Vijayawada Municipal Corporation, has also stated that, the Corporation Bank, Vijayawada has offered term loan Rs.50.00 Crores on properties mortgage of the Vijayawada Municipal Corporation charging the rate of interest 11%, which is higher than the rate of interest offered by the HUDCO i.e., 8.5%. The repayment of the above said term loan will be met from the revenue sources of property tax, water charges, sewerage charges remunerative sources of collections and Non-Plan Grants receivable from the Government.

3. The Commissioner, Vijayawada Municipal Corporation has therefore requested the Government for issue necessary orders, according permission to Vijayawada Municipal Corporation to take term loan from HUDCO for an amount of Rs.75.00 Crores, to meet the expenditure and completion of JNNURM Project works in Vijayawada Municipal Corporation, duly superceding/modifying the earlier orders issued vide G.O.Ms.No.502, MA & UD (K1) Department dated 02.11.2011.

4. The Government after careful examination of the Proposal of the Commissioner, Vijayawada Municipal Corporation and in supersession of the orders issued in the G.O. 1st read above hereby accord Permission to Commissioner, VMC to take term loan for an amount of Rs.75.00 Crores from HUDCO to meet the expenditure and completion of the JNNURM works subject to the condition that the Government Guarantee will not be extended at any point of time and in any situation.

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5. The Commissioner, Vijayawada Municipal Corporation shall take further necessary action in the matter.

6. This order issues with the concurrence of Finance (Expr.M&F) Department vide their U.O.No.8146/157/A1/Expr.M&F/2013 dated 09.04.2013.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADHAR SINHA
PRINCIPAL SECRETARY TO GOVERNMENT (MA)

To

The Commissioner, Vijayawada Municipal Corporation, Vijayawada.

Copy to:

The Managing Director, APUFIUDC Ltd., Hyderabad

The Commissioner and Director of Municipal Administration, Hyderabad.

The Finance (Expr.M&F) Department.

The OSD to Hon'ble M(MA)

The P.S. to Principal Secretary to Government (UD)

The P.S. to Principal Secretary to Government (MA)

The P.S. to Secretary to Hon'ble C.M.

Sf/Sc

//FORWARDED BY ORDER//

ASSISTANT DIRECTOR